



DEPARTMENT OF STATE

Washington, D.C. 20520

October 20, 1982

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MEMORANDUM

TO : IG PARTICIPANTS

SUBJECT : IG on IAEA Reassessment: October 15 Meeting

The second meeting of the IG, chaired by Under Secretary Kennedy, was held from 3:30 - 5:00 p.m. October 15 in room 6909.

Mr. Kennedy began the meeting by outlining the reassessment situation, specifically:

-- There is no high level contact between the U.S. Mission and the IAEA;

-- Attendance by USG participants at IAEA meetings has been cancelled;

-- In response to Australia's request, we have decided not to protest Herron's action to the Secretariat; but we hope to persuade Australia (Herron is Australian) that our concerns are more basic than the Legal Adviser's erroneous opinion.

-- Many of our friends still feel we are overreacting, but there is a growing understanding that we are serious. We will undertake wide ranging consultations with them and others in the future before making final IG recommendations.

-- The Secretary will issue a statement shortly making it clear that we will take strong measures, including withholding of funding, toward any UN body that acts against UN principles. It will include announcing that we are withholding further payments to the IAEA pending the outcome of the reassessment.

Mr. Kennedy summarized several "dramatic" actions contemplated as possible means to remedy what happened in Vienna. They are:

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-2-

1) ICJ: After L's arguments why we or Israel taking the case to the ICJ would be fraught with problems, Mr. Kennedy put this proposal on hold.

2) Special Board of Governors Meeting. It was agreed to put aside this idea for the present because it is premature and would require a great deal of preparation in advance with no guarantee of a positive result.

3) Change how the General Conference proceedings are handled. There was some discussion as to how Blix's memorandum could be used to ensure that voting procedures and credentials issues could be dealt with differently in the future.

Congressional and Press relations were discussed. Mr. Kennedy mentioned that he had just received a letter from Senator Mathias on the IAEA and our reassessment; we anticipate many more such letters from the Congress. In our conversations with the Hill, we all should stress that the issue is not just one of Israel's credentials but that the Agency itself was creating a climate in which the credentials issue could arise and be handled in a cavalier manner. On the press, Mr. Kennedy said we need Qs and As and agreed upon guidance.

Strategy Papers

Mr. Kennedy, noting the good beginning in the papers drafted so far, stated that our next efforts should focus on the outcome we seek and how best to achieve that outcome. He added that, in doing these papers, we should keep it in mind that, while the U.S. is not at war with the Secretariat, we, not the Agency, are the aggrieved party. Moreover, the drafts so far all come to the predetermined conclusion that the IAEA is irreplaceable, but many of our problems over the last few years have arisen because countries believe and act on basis that the Agency is irreplaceable to the U.S. We must look into the question of alternatives should it not be possible to return the Agency to its mandated tasks.

In conclusion, it was agreed that we need new drafts prepared that focus more sharply on:

- what we want achieved;
- the total package of recognized problems for attention over the longer term;
- alternatives to the Agency; and
- proposed steps with recommendations for the Secretary and the President.

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-3-

As agreed at the meeting, the following papers will be prepared:

<u>Subject</u>	<u>Preparer</u>
1. Effective Changes in proceedings (as in ICAO)	State/L and State/IO
2. Examine basic principles of UN memberships vis-a-vis universality	State/L
3. Qs and As on principle of universality	State/L and State/IO
4. Alternatives to the IAEA	DOE
5. Study ILO's practice of vetting resolutions in advance	State/IO and State/L
6. New draft of overall strategy paper	State/OES

The next IG meeting will be on October 21, at 3:00 p.m.
in room 6210.

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Subj: IG on IAEA Reassessment: October 15 Meeting

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